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SENATE BILL NO. 413

Offered January 11, 2006

Prefiled January 11, 2006

A BILL to amend and reenact §§ 2.2-1514, 10.1-2128, and 10.1-2133 of the Code of Virginia, and to amend the Code of Virginia by adding in Chapter 8 of Title 58.1 a section numbered 58.1-818, relating to dedicating recordation tax revenues to the Virginia Water Quality Improvement Fund.

Patron—Hanger

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1514, 10.1-2128, and 10.1-2133 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Chapter 8 of Title 58.1 a section numbered 58.1-818 as follows:

§ 2.2-1514. Designation of general fund for nonrecurring expenditures.

A. As used in this section:

"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1503.2, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act.

B. At the end of each fiscal year, the Comptroller shall designate within his annual report pursuant to § 2.2-813 an amount for nonrecurring expenditures, which shall equal the remaining amount of the general fund balance that is not otherwise reserved or designated. No such designation shall be made unless the full amounts required for other reserves or designations including, but not limited to, (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128 *and the transfer to the Virginia Water Quality Improvement Fund pursuant to § 58.1-818*, (iii) capital outlay reappropriations pursuant to the general appropriation act, (iv) (a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005, (v) pro rata rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, (vi) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, and (vii) interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for clauses (iv) (b), (v), and (vii) beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for nonrecurring expenditures equal to the amount designated by the Comptroller for such purpose pursuant to the provisions of subsection B of this section.

§ 10.1-2128. Virginia Water Quality Improvement Fund established; purposes.

A. There is hereby established in the state treasury a special permanent, nonreverting fund, to be known as the "Virginia Water Quality Improvement Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of ~~sums appropriated to it by the General Assembly which shall include~~, (i) *the \$100 million annual transfer from the general fund pursuant to § 58.1-818*; (ii) unless otherwise provided in the general appropriation act, 10 percent of the annual general fund revenue collections that are in excess of the official estimates in the general appropriation act and 10 percent of any unreserved general fund balance at the close of each fiscal year whose reappropriation is not required in the general appropriation act. ~~The Fund shall also consist of~~; (iii) such other sums as may be made available to it from any other source, public or private, ~~and shall include~~ (iv) any penalties or damages collected under this article; (v) federal grants solicited and received for the specific purposes of the Fund; and (vi) all interest and income from investment of the Fund. Any sums remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. All moneys designated for the Fund shall be paid into the state treasury and credited to the Fund. Moneys in the Fund shall be used solely for Water Quality Improvement Grants. Expenditures and disbursements from the Fund shall be made by the State

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59 Treasurer on warrants issued by the Comptroller upon the written request of the Director of the
60 Department of Environmental Quality or the Director of the Department of Conservation and Recreation
61 as provided in this chapter.

62 B. The purpose of the Fund is to provide Water Quality Improvement Grants to local governments,
63 soil and water conservation districts, institutions of higher education and individuals for point and
64 nonpoint source pollution prevention, reduction and control programs and efforts undertaken in
65 accordance with the provisions of this chapter. The Fund shall not be used for agency operating
66 expenses or for purposes of replacing or otherwise reducing any general, nongeneral, or special funds
67 allocated or appropriated to any state agency; however, nothing in this section shall be construed to
68 prevent the award of a Water Quality Improvement Grant to a local government in connection with
69 point or nonpoint pollution prevention, reduction and control programs or efforts undertaken on land
70 owned by the Commonwealth and leased to the local government. In keeping with the purpose for
71 which the Fund is created, it shall be the policy of the General Assembly to provide annually its share
72 of financial support to qualifying applicants for grants in order to fulfill the Commonwealth's
73 responsibilities under Article XI of the Constitution of Virginia.

74 C. For the fiscal year beginning July 1, 2005, \$50 million shall be appropriated from the general
75 fund and deposited into the Fund. This appropriation and any amounts appropriated to the Fund in
76 subsequent years in addition to any amounts deposited to the Fund pursuant to the provisions of
77 subsection A of § 10.1-2128 shall be used solely to finance the costs of design and installation of
78 biological nutrient removal facilities or other nutrient removal technology at publicly owned treatment
79 works designated as significant dischargers for compliance with the effluent limitations for total nitrogen
80 and total phosphorus as required by the tributary strategy plans or applicable regulatory requirements.

81 At such time as grant agreements specified in § 10.1-2130 have been signed by every significant
82 discharger and available funds are sufficient to implement the provisions of such grant agreements, the
83 House Committee on Agriculture, Chesapeake and Natural Resources, the House Committee on
84 Appropriations, the Senate Committee on Agriculture, Conservation and Natural Resources, and the
85 Senate Committee on Finance shall review the financial assistance provided under this section and
86 determine (i) whether such deposits should continue to be made, (ii) the size of the deposit to be made,
87 (iii) the programs and activities that should be financed by such deposits in the future, and (iv) whether
88 the provisions of this section should be extended.

89 § 10.1-2133. Annual report by State Comptroller.

90 The State Comptroller shall, by January 1 of each year, certify to the chairmen of the House
91 Committee on Appropriations and the Senate Committee on Finance, the total amount of annual general
92 fund revenue collections in excess of the official estimate in the general appropriation act, the total
93 amount of the unreserved general fund balance whose reappropriation is not required in the general
94 appropriation act at the close of the previous fiscal year and the total amount of funds that are to be
95 directed to the credit of the Virginia Water Quality Improvement Fund under this article ~~unless~~
96 ~~otherwise provided in the general appropriation act.~~

97 § 58.1-818. Deposit of recordation tax revenues to the Virginia Water Quality Improvement Fund.

98 *Beginning with the 2006-2007 fiscal year, and for every fiscal year thereafter, \$100 million of the*
99 *taxes imposed under §§ 58.1-801 through 58.1-809 that are actually paid into the state treasury in the*
100 *fiscal year shall be transferred to the Virginia Water Quality Improvement Fund established under*
101 *§ 10.1-2128 and used for the purposes described in that section. The annual \$100 million transfer shall*
102 *be made by the Comptroller after allocations have been made for the required deposits and distributions*
103 *under §§ 58.1-815 and 58.1-816. In no case, however, shall the transfer be made to the Virginia Water*
104 *Quality Improvement Fund later than the last day of the fiscal year.*